ATTORNEYS

421 West Main Street Post Office Box 634 Frankfort, KY 40602-0634 [502] 223-3477 [502] 223-4124 Fax www.stites.com

October 28, 2011

RECEIVED

OCT 28 2011

PUBLIC SERVICE

COMMISSION

Mark R. Overstreet (502) 209-1219 (502) 223-4387 FAX moverstreet@stites.com

#### HAND DELIVERED

Jeff R. Derouen Executive Director Public Service Commission P.O. Box 615 Frankfort, KY 40602-0615

Re:

Case No. 2011-00245

Dear Mr. Derouen:

Enclosed please find the original and ten copies of Kentucky Power Company's Responses to the October 18, 2011 Hearing Data Requests of Staff.

A copy also is being served on the persons below.

Very truly yours,

STITES & HARBISON, PLLC

Mark R. Overstreet

**MRO** 

**Enclosures** 

cc: Dennis G. Howard, II

Michael L. Kurtz

Alexandria, VA Atlanta, GA Frankfort, KY Franklin, TN Jeffersonville, IN Lexington, KY Louisville, KY Nashville, TN

# COMMONWEALTH OF KENTUCKY

# BEFORE THE

# PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

AN EXAMINATION OF THE APPLICATION	)
OF THE FUEL ADJUSTMENT CLAUSE OF	)
KENTUCKY POWER COMPANY FROM	) CASE NO. 2011-00245
NOVEMBER 1, 2010 THROUGH APRIL 1, 2011	)

KENTUCKY POWER COMPANY RESPONSES TO COMMISSION STAFF'S OCTOBER 18, 2011 HEARING DATA REQUESTS

October 28, 2011

### VERIFICATION

The undersigned, Kimberly K Chilcote, being duly sworn, deposes and says she is the Manager, Eastern Fuel Procurement, that she has personal knowledge of the matters set forth in the forgoing responses for which she is the identified witness and that the information contained therein is true and correct to the best of her information, knowledge and belief

		Komberly K Chilcote
		Kimberly K Chilcote
State of Ohio	)	
	) SS	
County of Franklin	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Kimberly K Chilcote, this the 25 day of October, 2011.

Gina L. Beyer Notary Public, State of Ohio My Commission Expires 07-01-2015 Notary Public Beyr

My Commission Expires: 7 - 01 - 2016

### **VERIFICATION**

The undersigned, Lila P. Munsey, being duly sworn, deposes and says she is the Manager, Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the forgoing responses for which she is the identified witness and that the information contained therein is true and correct to the best of her information, knowledge, and belief

COMMONWEALTH OF KENTUCKY

COUNTY OF FRANKLIN

)

CASE NO. 2011-00245

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lila P. Munsey, this the 27th day of October, 2011.

My Commission Expires: January 23, 2013

Hudy K Rosquist Wotary Pyblic

KPSC Case No. 2011-00245 Commission Staff's Hearing Data Requests Dated October 18, 2011 Item No. 1 Page 1 of 1

# Kentucky Power Company

### REQUEST

Please refer to the response to Item No. 7 of the Commission's First Set of Data Requests.

- a. Is it common for the Big Sandy fuel cost to be higher than the substitute energy cost?
- b. Is it becoming more frequent that economy purchases of power are a realistic option to Big Sandy generation?

#### RESPONSE

- a. Yes. The primary energy rate that is referred to as "substitute energy" on the monthly Kentucky Power Company (KPCo) Power Transaction Schedules is the fuel expense and one-half of the maintenance expense (variable costs) of the energy surplus companies in the AEP East Pool. This generally includes the DC Cook nuclear units and the 1300 MW super-critical coal units of KPCo's sister companies which generally have lower variable costs.
- b. Primary energy is not an option instead of Big Sandy generation but rather a back up in case of outages to Big Sandy or KPCo's share of the Rockport units.

WITNESS: Lila P Munsey



KPSC Case No. 2011-00245 Commission Staff's Hearing Data Requests Dated October 18, 2011 Item No. 2 Page 1 of 1

# KENTUCKY POWER COMPANY

# Request

Does KP sell all of its generation into the PJM Market?

# Response

All of Kentucky Power's generation is sold by AEP into the PJM market. AEP purchases Kentucky Power's load obligation from PJM. To the extent that AEP sells more into PJM than it buys, KPCo is credited its MLR share of these off system sales. The Pool settlement between the AEP East Operating Companies occurs monthly after the fact.

WITNESS: Lila P. Munsey

KPSC Case No. 2011-00245 Commission Staff's Hearing Data Requests Dated October 18, 2011 Item No. 3 Page 1 of 2

# Kentucky Power Company

### REQUEST

Please provide names for the organizational chart that is provided on Page 15 of Item No. 19 of the Commission's First Set of Data Requests.

#### RESPONSE

Page 2 of this response contains an organizational chart for the Fuel Emission & Logistics (FEL) group within the American Electric Power Service Corporation. This is an updated version of Attachment A to the FEL Procurement Policy, which was provided in response to Item No. 19 of the Commission's First Set of data requests. This version addresses a minor reorganization of the Land & Mineral Development organization that does not affect the activities of FEL associated with Kentucky Power Company, and contains the names of the employees currently in each role.

WITNESS: Kimberly K Chilcote

KPSC Case No. 2011-00245